

EXHIBIT 2

AIPLA

2019

Report of the Economic Survey

Prepared Under Direction of
Law Practice Management Committee

American Intellectual Property Law Association
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**Prepared Under Direction of the
American Intellectual Property Law Association
Law Practice Management Committee**

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INTRODUCTION

The AIPLA Economic Survey, developed and directed by the Law Practice Management Committee of the American Intellectual Property Law Association (AIPLA), reports the annual incomes and related professional and demographic characteristics of intellectual property (IP) law attorneys and associated patent agents. Conducted every other year by AIPLA, this survey also examines the economic aspects of intellectual property law practice, including individual billing rates and typical charges for representative IP law services. All U.S. AIPLA members, with the exception of student members were invited to participate.

The Law Practice Management Committee took an active role in reviewing the Economic Survey with a goal of improving the usefulness and value of the data that are collected and analyzed.

DATA COLLECTION

An e-mail invitation to participate in the 2019 AIPLA Economic Survey was sent to a list of 9,439 AIPLA members; accounting for bounces and requests to be removed from the database, the actual sample surveyed was 8,619. The e-mail included an individualized direct link to the Web-based questionnaire along with an attached letter requesting additional participation in the Firm portion of the Economic Survey. The initial e-mail was followed up by several e-mail reminders. Additionally, AIPLA and committee members sent out promotional emails with survey links as well. Similar to 2015 and 2017, additional efforts were made to collect the Firm Survey data. Contact information was collected directly from the Individual Survey respondents that was then used for distributing Firm Survey links directly to the appropriate people identified at each firm by the Individual Survey respondents.

A total of 961 individuals responded by completing some or all of the Individual questionnaire, yielding an 11.1% response rate, nearly the same as the response rate in 2017. This is the seventh time the survey has been conducted online. Additional efforts to gather data for the Firm portion of the survey garnered 160 responses – lower than the 205 received in 2017.

All data submitted by respondents were reviewed and evaluated for reasonableness and consistency; data anomalies and outliers were analyzed and corrected or deleted.

In many cases, respondents did not answer every question, so the total counts for each table may vary.

CHANGES TO THE SURVEY

A number of enhancements were made to the 2019 Individual Survey instrument. The committee worked to update the survey and included new questions that covered important areas of interest to the profession. In Part I, the primary practice categories were updated, and questions about remote work and work status were added. Previously, the survey asked for years of IP law attorney experience and this year non-attorney years of IP law experience was added. A number of questions were reordered in this section.

In Part II (Corporate Practitioners), a question was added to ask about the IP budget as it related to US prosecution and non-US prosecution. Part III (Private Practitioners) included new questions about discounted hourly billing rates. In Part IV (Typical Charges), one new charge was added to the section covering Trademarks (preparing and filing assignments or other formal documents). Eight new charges were added to the US Utility Patent section along with a top-level clarifying statement about US Utility Patents that indicates that the category includes foreign-origin patents where no substantive direction is received from foreign attorneys. These new items covered preparation and filing of Information Disclosure Statement (IDS), reference management, Patent Term Adjustment (PTA) calculation, formalities, preparing and filing formal drawings,

preparation for and conducting examiner interviews and providing a continuation recommendation. The PTA calculation was stated to be excluded from an above item related to issuing an allowed application. The previously titled Foreign Origin and Foreign Patents category was renamed to US Utility Patents of Foreign Origin with the following clarifying statement: *in which foreign attorneys provide substantive direction. Exclude government, foreign associate, drawing and similar fees.* An entirely new category for Filing US Applications Abroad was added, and Other US Patents and Copyrights was expanded to include charges for formal drawings for design patent application, preparing and filing international design patent application under the Hague agreement, and responding to Office action in design patent application. Transactional Work that included due diligence, and preparing licenses, including negotiations was also added.

The litigation cost question for the total cost of filing or defending a petition for a post-grant proceeding was expanded to collect data by technology.

The 2019 Firm Survey instrument updated the titles for the types of attorneys for various questions, and most significantly added a section to collect the charges data similar to those collected in the Individual Survey. The charges data collected from the Firm Survey were combined with the Individual Survey charges data, and for this reason a new question about the number of full-time IP lawyers and patent agents at all locations was added to the Firm Survey in order to have corresponding demographic data when combining the two sets of data.

In the data tables in the report, a minimum of three responses was required to show composite values. **The term “ISD” is used in the tables to show insufficient data.** Similar to the past few reports, table rows with one or two respondents have been omitted to protect the anonymity of respondents, and tables with no valid rows have likewise been omitted. In general, tables with less than 20 respondents overall were not shown in order to maintain statistical reliability of the data; however, for the new category Private Firm, Non-Partner Track Attorney, as well as for Patent Agents, a number of exceptions were made and tables were kept in spite of having fewer than 20 respondents overall. Some detailed tables for Litigation Costs by Location were not included due to low response counts. Additionally, for applicable tables, the 10th and 90th percentiles could only be shown if there were 10 or more respondents.

DESCRIPTION OF STATISTICS AND FORMATTING CONVENTIONS

Quartiles: Quartiles are used to show distributions of real numbers. Responses are described by three quartiles: the first quartile, the median, and the third quartile. Quartiles identify interpolated locations on a distribution of values and do not necessarily represent actual reported values. Another label for quartiles is percentiles; the first quartile is the same as the 25th percentile, the median is the 50th percentile, and the third quartile is the 75th percentile. For example, when all reported values are listed from highest to lowest, the third quartile identifies the point on the list that is equal to or greater than 75 percent (three-quarters) of the reported values and the first quartile identifies the point on the list that is equal to or less than 25 percent (one-quarter).

10th Percentile: Also used to show distributions of real numbers, ninety percent of respondents reported this amount or more.

90th Percentile: Ten percent reported this amount or more. If there are fewer than 10 values, the 90th percentile cannot be calculated.

Median (midpoint): The median identifies the point in the distribution of reported values that is equal to or larger than one-half of reported values and equal to or smaller than one-half—that is, the mid-point. A median is shown when three or more values were reported by respondents. The first and third quartiles are shown when five or more values were reported by respondents. Quartiles and medians based on values reported by survey respondents are estimates of the quartiles and medians that could be determined if the

characteristics of the entire population represented by survey respondents were known. In general, the more values that are reported, the more accurately quartiles estimate the distribution of values among all AIPLA members.

Mean (average): The mean is shown when three or more values were reported by respondents. It is equal to the sum of all values divided by the number of values.

It should be noted that if the mean exceeds the median, it is because high values affect the calculations. It is also possible, especially with a small number of values, for the mean to exceed the third quartile.

Percentages in some tables and some graphs may not sum to exactly 100% due to rounding.

Other definitions useful in understanding tabular information presented in this report are:

Income: Defined as *“total gross income in calendar year 2018 from your primary practice...including any partnership income, cash bonus, share of profits, and similar income you received, and any deferred compensation in which you vested in 2018.”*

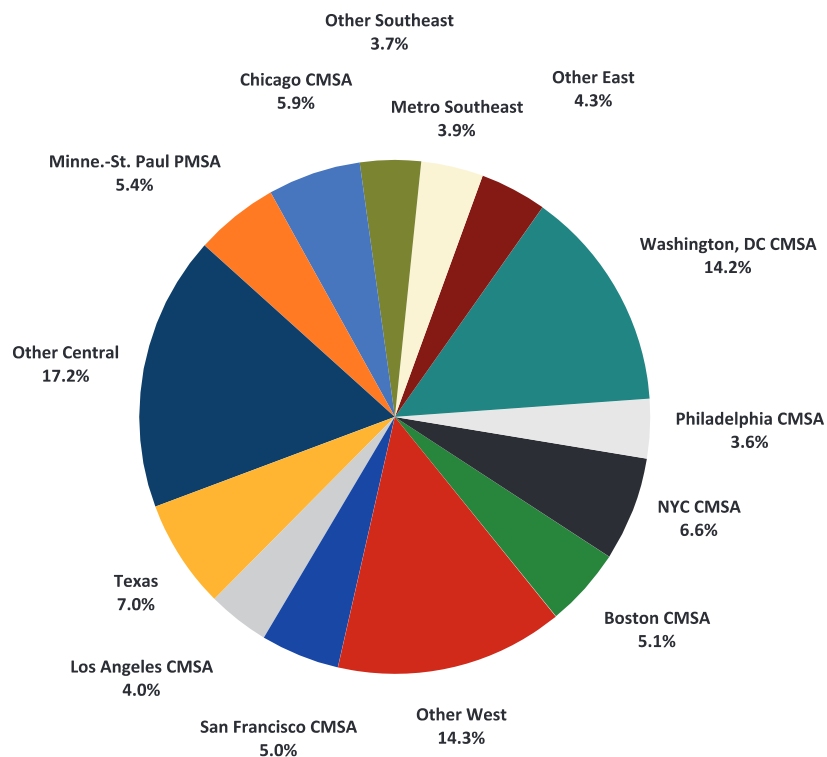
Typical Charges: Respondents were instructed to respond *“only if you have been personally responsible for a representative sample of the type of work to which the question pertains, either as a service provider (i.e., an attorney in private practice) or as a purchaser of such services (i.e., corporate counsel).”* When reporting, respondents were directed to assume *“a typical case with no unusual complications,”* and were asked *“what did you charge (or would have charged, e.g., based on a fixed fee rate schedule) or what were you charged (or would have expected to be charged, e.g., on a fixed fee rate schedule), in 2018, for legal services only (including search fees, but not including copy costs, drawing fees or government fees) in each of the following types of US matters?”* Respondents were also asked to indicate the type of fee primarily used in 2018 (i.e., fixed fee, hourly, other). The Firm Survey instructions were similar.

Estimated Litigation Costs: Respondents were instructed to respond to these questions *“only if you have personal knowledge either as a service provider (attorney in private practice) or as a purchaser of such services (corporate counsel) of the costs incurred within the relatively recent past, for the type of work to which the question pertains. In each of the questions, ‘total cost’ is all costs, including outside legal and paralegal services, local counsel, associates, paralegals, travel and living expenses, fees and costs for court reporters, photocopies, courier services, exhibit preparation, analytical testing, expert witnesses, translators, surveys, jury advisors, and similar expenses.”* Respondents were further instructed to estimate these based on a single IP asset, such as one patent at issue or one trademark, etc.

Location: The metropolitan areas of Boston, New York City, Philadelphia, Washington (DC-MD-VA), Chicago, and Minneapolis–St. Paul include all localities—central city and surrounding areas—within the primary metropolitan statistical area. Texas is the one state reported separately. There were sufficient responses to breakout Los Angeles and San Francisco separately; California firms outside of those metro areas were included in “Other West.” Other categories exclude those named metropolitan areas.

LOCATION		
METROPOLITAN AREAS	PERCENT	COUNT
Boston CMSA*	5.1%	49
New York City CMSA*	6.6%	63
Philadelphia CMSA*	3.6%	35
Washington, DC CMSA*	14.2%	136
Other East: Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, and West Virginia	4.3%	41
Metro Southeast: Raleigh–Durham, Greensboro–Winston-Salem, and Charlotte, NC; Atlanta, GA; and Miami–Ft. Lauderdale–West Palm Beach, FL	3.9%	37
Other Southeast: North Carolina, South Carolina, Georgia, and Florida	3.7%	36
Chicago CMSA*	5.9%	57
Minneapolis–St. Paul PMSA**	5.4%	52
Other Central: Minnesota, North Dakota, South Dakota, Wisconsin, Michigan, Ohio, Indiana, Illinois, Iowa, Nebraska, Kansas, Missouri, Kentucky, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, and Tennessee	17.2%	165
Texas	7.0%	67
Los Angeles CMSA*	4.0%	38
San Francisco CMSA*	5.0%	48
Other West: Montana, Wyoming, Colorado, New Mexico, Idaho, Utah, Nevada, Arizona, Washington, Oregon, California, Alaska, and Hawaii	14.3%	137
*CMSA: Consolidated Metropolitan Statistical Area—a metro area with a population of one million or more. **PMSA: Primary Metropolitan Statistical Area—a component of a CMSA.		

Location (P. I-2, Q1)



Total Gross Income for 2018 by Type of work (Q12a)*Private Firm, Equity Partner*

		Number of Individuals	Mean (Average)	First Quartile 25%	Median (Midpoint)	Third Quartile 75%
All Individuals		337	\$530,712	\$274,250	\$400,000	\$643,000
Types of Work (≥50%)	IP prosecution work	155	\$425,253	\$255,000	\$360,000	\$480,000
	Opinions or counseling prior to litigation or formal ADR	5	\$693,250	\$445,625	\$600,000	\$987,500
	IP litigation	40	\$822,680	\$362,914	\$560,000	\$1,048,750
	Supervision and training of other attorneys or agents within your organization	5	\$1,131,971	\$598,428	\$1,000,000	\$1,731,500

Average hourly billing rate in 2018 (Q37)

Private Firm, Equity Partner

		Number of Individuals	Mean (Average)	10th Percentile 10%	First Quartile 25%	Median (Midpoint)	Third Quartile 75%	90th Percentile 90%
All Individuals		302	\$521	\$330	\$375	\$475	\$650	\$796
Years of IP Law Attorney Experience	7-9	9	\$356	ISD	\$325	\$370	\$390	ISD
	10-14	40	\$438	\$280	\$346	\$398	\$500	\$668
	15-24	119	\$505	\$325	\$375	\$448	\$650	\$750
	25-34	86	\$552	\$344	\$429	\$500	\$665	\$833
	35 or More	45	\$613	\$390	\$475	\$595	\$713	\$916
Location	Boston CMSA	13	\$747	\$369	\$450	\$800	\$1,015	\$1,080
	NYC CMSA	22	\$559	\$365	\$408	\$475	\$699	\$964
	Philadelphia CMSA	10	\$599	\$433	\$486	\$560	\$729	\$823
	Washington, DC CMSA	43	\$590	\$354	\$430	\$570	\$700	\$850
	Other East	10	\$462	\$314	\$365	\$461	\$513	\$691
	Metro Southeast	12	\$418	\$292	\$343	\$375	\$421	\$746
	Other Southeast	8	\$414	ISD	\$354	\$375	\$463	ISD
	Chicago CMSA	20	\$537	\$351	\$435	\$533	\$644	\$734
	Minne.-St. Paul PMSA	15	\$443	\$290	\$330	\$420	\$545	\$626
	Other Central	62	\$421	\$283	\$342	\$390	\$500	\$646
	Texas	19	\$534	\$400	\$406	\$460	\$650	\$800
	Los Angeles CMSA	13	\$586	\$336	\$440	\$575	\$675	\$978
	San Francisco CMSA	14	\$665	\$385	\$464	\$650	\$826	\$1,023
	Other West	41	\$496	\$300	\$343	\$450	\$623	\$769
IP Technical Specialization (>=50%)	Biotechnology	13	\$610	\$304	\$418	\$600	\$818	\$990
	Chemical	16	\$462	\$265	\$374	\$465	\$593	\$636
	Computer Hardware	5	\$521	ISD	\$313	\$395	\$793	ISD
	Computer Software	24	\$493	\$313	\$380	\$483	\$596	\$745
	Electrical	27	\$586	\$350	\$400	\$520	\$670	\$1,010
	Mechanical	63	\$480	\$337	\$360	\$450	\$570	\$700
	Medical/ Health Care	18	\$537	\$300	\$396	\$497	\$650	\$743
	Pharmaceutical	10	\$626	\$405	\$465	\$600	\$761	\$956
	Other areas	3	\$450	ISD	ISD	\$450	ISD	ISD
Age	35-39	14	\$451	\$245	\$313	\$365	\$655	\$708
	40-44	36	\$446	\$325	\$371	\$400	\$556	\$665
	45-49	46	\$502	\$329	\$368	\$439	\$600	\$822
	50-54	64	\$510	\$350	\$400	\$459	\$636	\$750
	55-59	65	\$550	\$300	\$365	\$500	\$675	\$958
	60 or Older	74	\$568	\$350	\$445	\$530	\$653	\$838
Gender	Male	257	\$525	\$334	\$375	\$482	\$650	\$785
	Female	42	\$486	\$277	\$350	\$425	\$631	\$814
Highest Non-Law Degree	Bachelor's Degree	212	\$516	\$330	\$375	\$471	\$650	\$785
	Master's Degree	62	\$542	\$333	\$400	\$500	\$650	\$814
	Doctorate Degree	24	\$520	\$310	\$379	\$464	\$669	\$880
Ethnicity	White/Caucasian	262	\$520	\$330	\$375	\$481	\$650	\$796
	Hispanic/Latino	4	\$624	ISD	\$445	\$638	\$789	ISD
	Asian/Pacific Islander	11	\$547	\$315	\$400	\$500	\$675	\$910
	Blended	5	\$510	ISD	\$325	\$450	\$725	ISD
	Other	8	\$535	ISD	\$338	\$450	\$733	ISD
Full-time Intellectual Property lawyers and agents in the firm or corporation	1-2	24	\$385	\$275	\$303	\$350	\$450	\$585
	3-5	43	\$408	\$257	\$350	\$400	\$460	\$595
	6-10	32	\$473	\$340	\$364	\$448	\$529	\$650
	11-25	56	\$460	\$340	\$376	\$428	\$519	\$633
	26-50	46	\$522	\$329	\$390	\$500	\$609	\$737
	51-100	47	\$607	\$350	\$430	\$577	\$750	\$960
	101-150	24	\$686	\$353	\$421	\$710	\$938	\$1,023
	More than 150	27	\$714	\$524	\$650	\$700	\$785	\$972